



PRESS RELEASE

FOR IMMEDIATE RELEASE
April 11, 2001

For Information Contact Public Affairs
Jennie Larsen (602) 514-7561

PHOENIX BUSINESS PARTNERS PLEAD TO FILING FLASE TAX RETURNS

PHOENIX, ARIZONA - The United States Attorney's office for the District of Arizona, announced today that Russell H. Ritchie and Dale E. Kipp each pleaded guilty to a two-count criminal information on April 9, 2001, before U. S. District Court Judge Paul G. Rosenblatt. Sentencing has been set for June 25, 2001.

The informations charge both Ritchie and Kipp; with two counts of Title 26 USC 7206 (1) for knowingly signing false returns for 1994 and 1995. According to the plea agreements, in 1994 and 1995 Ritchie and Kipp were majority shareholders in Multi-Micro, inc., a company that sold wireless cable frequencies. American Telecasting, Inc., one of their customers, made installment payments in 1994 and 1995 totaling \$2,019,000 for cable frequency rights. However, American Telecasting, Inc., made these payments to a third company, Conference Management Services, which was purportedly a legal corporation in Panama. In actuality, this company, Conference Management Services, Inc., was nothing more than a number of bank accounts located in Arizona and controlled by Ritchie and Kipp.

Ritchie and Kipp divided the \$2,019,000 equally. For the year 1994 both Ritchie and Kipp each failed to report \$221,673 on their 1040 forms. For 1995, Ritchie failed to report approximately \$533,539, and Kipp failed to report approximately \$169,295. According to the plea agreement, both men intentionally understated their income and knew that their returns for these years were false.

MORE

Ritchie and Kipp face maximum sentences of up to three years in prison, \$100,000 fines, or both.

The investigation of Ritchie and Kipp was conducted by special agents of the IRS Criminal Investigation Phoenix Field Office, and prosecuted by the U. S. Attorney's Office, District of Arizona, Phoenix. RELEASE

2001-032

###

MORE